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April 23, 2018

**VIA E-FILING**

Ms. Jocelyn Boyd  
Chief Clerk of the Commission  
SC Public Service Commission  
P. O. Drawer 11649  
Columbia, SC 29211

RE: Request of the South Carolina Office of Regulatory Staff For Rate  
Relief to SCE&G Rates Pursuant to S.C. Code Ann. § 58-27-290  
Docket No. 2017-305-E

Dear Ms. Boyd:

Enclosed please find for filing South Carolina Energy Users Committee ("SCEUC") Reply Brief to SCE&G's Brief in Opposition to SCEUC's Motion for Pendente Lite Relief in the above-captioned matter. By copy of this letter, I am serving all parties of record.

If you have questions, please do not hesitate to contact me.

Sincerely,

ELLIOTT & ELLIOTT, P.A.



Scott Elliott

SE/lbk

Enclosure

cc: All parties of record (w/encl.)

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2017-305-E**

IN RE:	)	
Request of the South Carolina Office of	)	<b>SCEUC REPLY BRIEF</b>
Regulatory Staff for Rate Relief to	)	
SCE&G Rates Pursuant to S.C. Code Ann.	)	
§ 58-27-920	)	
_____	)	

The South Carolina Public Service Commission may act immediately to reduce SCE&G's rates. The record in this docket compels the decision to reduce rates by 13% to 18%. The Commission should act.

SC Code Ann Section 58-27-920 authorizes the Commission to reduce rates when after a preliminary investigation, it concludes a rate reduction is in the public interest. The BatesWhite report commissioned by the South Carolina State Senate, concluded that SCE&G could absorb an interim rate reduction of at least thirteen (13) percent by reducing its dividends by \$319 million, the actual amount of dividends paid by SCE&G to SCANA in 2017. Further, the BatesWhite Economic Consulting report opines that a rate reduction of eighteen (18) percent would not likely diminish the credit standing of SCE&G or its parent, SCANA.<sup>1</sup> Moreover,

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<sup>1</sup> Strangely, SCE&G questions the competence of the BatesWhite report commissioned by the South Carolina Senate researched and prepared by two expert economists and the opinion of an expert bankruptcy attorney retained by the ORS, but instead relies upon a newspaper editorial to support the utility's position.

SCANA concedes that a rate reduction would not impact its ability to operate as a going concern.<sup>2</sup> The question is not whether to reduce rates but by how much.

The South Carolina Attorney General concurs in SCEUC's motion. The Attorney General states "[t]he Public Service Commission does not need to determine now whether it should make the reduction pendent lite or as a temporary injunction because the Commission can take action immediately pursuant to the September 26, 2017 request of the Office of Regulatory Staff for suspension of all SCE&G revised rates. The Commission has the authority to grant ORS's request now in part for 13% or in full for 18% as to all revised rates." Correspondence of Robert D. Cook, Solicitor General dated April 18, 2018. The Commission should act and need not resort to pendente lite relief or temporary injunction.

SCE&G concedes that the Commission may act pursuant to the authority of SC Code Ann Section 58-27-920 and objects that temporary injunctive relief is not available to the Commission as a remedy (SCE&G brief at page 4).

SCEUC likewise concurs with the South Carolina Attorney General's opinion that Commission can and should act immediately to reduce rates pursuant to SC Code Ann Section 58-27-920.<sup>3</sup>

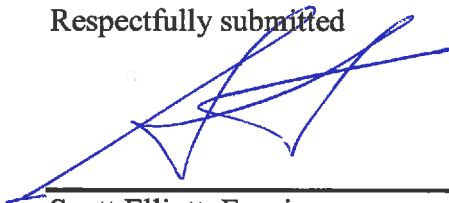
Accordingly, SCEUC renews its motion that the Commission act immediately to reduce rates to SCE&G ratepayers.

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<sup>2</sup> See the SCANA's February S-4 filed with the U.S. Securities and Exchange Commission showing that a reduction in rates of 9.4% is sustainable. In fact, according to SCANA's analysts, SCANA's stock prices would exceed current prices at a 9.4% reduction in rates.

<sup>3</sup> SCEUC withdraws any request, express or implied, for temporary injunctive relief in this docket at this time.

Respectfully submitted



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*Attorney for the South Carolina Energy  
Users Committee*

Columbia, South Carolina  
April 23, 2018

## CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that (s)he has this date served one (1) copy of the pleading(s) indicated below by electronically mailing same and addressed as shown below:

RE: Request of South Carolina Office of Regulatory Staff for  
Rate Relief to SCE&G Rates Pursuant to  
S.C. Code Ann. § 58-27-920

Docket No.: 2017-305-E

### PARTIES SERVED:

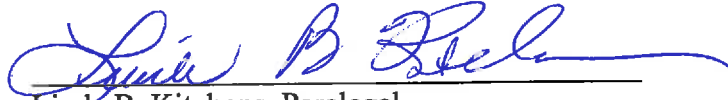
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PLEADING:

SCEUC REPLY BRIEF

April 23, 2018



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